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China, Peoples Republic of

FAIRS Product Specific

Implementation Measures of 2005 TRQ Allocation for Imported Oils and Sugar

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Approved by:

Maurice House
U.S. Embassy, Beijing

Prepared by:

Wu Bugang

Report Highlights:

This is an UNOFFICIAL translation of the Implementation Measures of 2005 TRQ Allocation for Imported Oils and Sugar issued by the Ministry of Commerce on September 29, 2004. Exporters should carefully discuss regulations and their application with Chinese importers to ensure their interpretation of the regulation is accurate.

Includes PSD Changes: No
Includes Trade Matrix: No
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Summary

The following is an UNOFFICIAL translation of the Implementation Measures of 2005 Tariff Rate Quota (TRQ) Allocation for Imported Palm oil, Soybean oil, Rapeseed oil, and Sugar as issued by the Ministry of Commerce on September 29, 2004. According to its WTO Accession Agreement obligation, China has phased in import TRQ's for palm oil, soybean oil, and rapeseed oil; they reach the final quantities in 2005. China also has reduced the share of allocation for state trading companies. While allocation measures in 2005 remain basically unchanged from those in 2004, requirements are added to existing and new TRQ applicants such as requirements on registered capital, sales value, and record of tax payment. The document also contains one appendix: Application Form of Agricultural Product Import TRQ Certificate.

BEGIN TRANSLATION

Implementation Measures of 2005 TRQ Allocation for Palm oil, Soybean oil, Rapeseed oil, and Sugar

In accordance with the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota" (Decree No. 4 (2003) of the Ministry of Commerce and the National Development and Reform Commission, the 2005 TRQ amount, application requirements and allocation principles for imported palm oil, soybean oil, rapeseed oil, and sugar are announced as follows:

Section One

The 2005 TRQ amounts for imported palm oil, soybean oil, rapeseed oil, and sugar shall be: palm oil 3,168,000 metric tons with 10% designated for state trading firms; soybean oil 3,587,100 metric tons with 10% designated for state trading firms; rapeseed oil 1,243,000 metric tons with 10% designated for state trading firms; sugar 1,945,000 metric tons with 70% designated for state trading firms.

Section Two

Fundamental requirements for applicants of import TRQs for palm oil, soybean oil, rapeseed oil, and sugar include: Applicants shall be registered with the State Industry and Commerce Management Authorities before October 1, 2004 and have passed the latest annual inspection by the industry and commerce authorities; Applicants shall have no violation record with the Customs, Foreign Exchange, Industry and Commerce, Tax Bureau or Quarantine Authorities in 2003-2004; Applicants shall have no record of violating the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota".

Under the aforementioned conditions, applicants for import TRQs shall conform to one of the following categories:

(I) Palm oil

1. State-owned trading enterprises;
2. Central enterprises with state reserve functions;
3. Enterprises having been allocated with palm oil import TRQs in 2004;
4. Food manufacturers using palm oil as direct production material with an annual production capacity of more than 3,000 metric tons (inclusive), a registration capital of more than three million yuan (inclusive), and an annual sales value of more than 30 million yuan (inclusive);
Oil refinery enterprises using palm oil as raw material with a daily crude oil processing capacity of more than 200 metric tons (inclusive), a registered capital of more than five million yuan (inclusive), and an annual sales value of more than 100 million yuan (inclusive);
5. Enterprises engaged in processing trade using palm oil as raw material.

(II) Soybean oil

1. State-owned trading enterprises;
2. Central enterprises with state reserve functions;
3. Enterprises having been allocated with soybean oil import TRQs in 2004;
4. Oil processing enterprises producing refined oil with daily crude oil processing capacity of more than 200 metric tons (inclusive), a registered capital of more than five million yuan (inclusive), and an annual sales value of more than 100 million yuan (inclusive);
5. Enterprises engaged in processing trade using soybean oil as raw material.

(III) Rapeseed oil

1. State-owned trading enterprises;

2. Central enterprises with state reserve functions;
3. Enterprises having been allocated with rapeseed oil import TRQs in 2004;
4. Oil processing enterprises producing refined oil with daily crude oil processing capacity of more than 200 metric tons (inclusive), a registered capital of more than five million yuan (inclusive), and an annual sales value of more than 100 million yuan (inclusive);
5. Enterprises engaged in processing trade using rapeseed oil as raw material.

(IV) Sugar

1. State-owned trading enterprises;
2. Central enterprises with state reserve functions;
3. Enterprises having been allocated with sugar import TRQs in 2004;
4. Sugar producers with a daily raw sugar processing capacity of more than 600 metric tons, a registered capital of more than 10 million yuan (inclusive), and an annual sales value of more than 200 million yuan (inclusive);
5. Enterprises engaged in processing trade using sugar as raw material.

Applicant's criteria for palm oil, soybean oil and rapeseed oil TRQs in terms of processing capacity, registered capital and sales value shall be implemented in half of the aforementioned requirements in the 12 western provinces (regions) defined by the government, as well as in Yanbian Autonomous Prefecture of Jilin, Enshi Region of Hubei, and Xiangxi Autonomous Prefecture of Hunan.

Section Three

TRQ applicants should provide the following documents:

1. Application report for agricultural import TRQs;
2. Application form for agricultural import TRQs;
3. Corporate business license (copy) that has passed the latest annual inspection by industry and commerce authorities;
4. Enterprise's 2003 annual audit report (copy) produced by a qualified accounting office or a "Registration form of 2003 Annual Inspection for VAT General Tax Payer" (copy) submitted when receiving 2003 annual examination of taxes.

Applicants with an actual import history only need to submit materials prescribed in Items 1-3; new applicants need to provide all aforementioned materials. If a new applying enterprise is established after 2003, it also needs to provide a reply letter of the competent authorities to the feasibility study report of construction project (or reply letter to construction project proposal) and an inspection and acceptance report on the project.

Section Four

The basic principles for allocation of aforementioned agricultural import TRQs are: actual import history, production capacity, sales value, and other relevant industry standards.

1. When import TRQ amount can satisfy eligible applicants' total requested quantities, TRQs will be allocated according to applicants' requested quantities.
2. When import TRQ amount cannot satisfy eligible applicants' total requested quantities, for general trade imports, priority shall be given to those who have an actual history of imports with TRQs being allocated proportionally on the basis of the previous year's allocation amount. Applicants without an actual history of imports will be allocated proportionally based primarily on their processing capacity and sales value. If its processing capacity and sales value have met the minimum requirements, a new applicant will be allocated with minimum TRQ quantity; if its processing capacity and sales value have exceeded the minimum requirements, allocation amount will be added proportionally. After the above allocation, if a balance remains in the TRQ amount, the remaining amount will be allocated proportionally among applicants based on their previous year's allocations. In case requested quantities are lower than the proportionally allocated quantities, the requested quantities will apply. For the convenience of import practice, quotas will be allocated by 100-ton as a minimum unit.

Section Five

The application period for 2005 import TRQs for palm oil, soybean oil, rapeseed oil, and sugar shall be from October 15 to 31, 2004. Applicants shall submit their applications to Ministry of Commerce authorized

agencies under the jurisdiction of where the industry and commerce registration took place. TRQ applicants may obtain an Application Form of Agricultural Product Import TRQ (see appendix) from the Ministry of Commerce authorized agencies or download a copy from the Ministry's web site (<http://www.mofcom.gov.cn>).

Section Six

The Ministry of Commerce authorized agencies are responsible for handling enterprise applications within their jurisdiction and submitting the eligible applications to the Ministry of Commerce, and copy to the National Development and Reform Commission, before 30 November 2004.

Section Seven

The Ministry of Commerce will issue an Agricultural Product Import TRQ Certificate, through authorized agencies, to the end-users before January 1, 2005.

Appendix:**Application Form of Agricultural Product Import TRQ**

Stamp of Applicant Organization:

Signature of Applicant's Legal Representative:

Name of Enterprise: import			
Import Commodity:	<input type="checkbox"/> With 2004 general trade import record	<input type="checkbox"/> With 2004 processing trade import record	<input type="checkbox"/> Without 2004 import record
General trade	Application amount: Declaration Port 1). 2).	Processing trade	Application amount: Declaration Port 1). 2).
Registered Address:			
Registered capital:		Registration NO.	Telephone:
Business category:			Customs Code:
Registered Capital:	Industry & Commerce Registration Number:		State Tax Registration Number:
Nature of Enterprise:	<input type="checkbox"/> State-own <input type="checkbox"/> Share-holding <input type="checkbox"/> Private <input type="checkbox"/> Foreign Invested		
Type of Enterprise	<input type="checkbox"/> Manufacturing enterprise <input type="checkbox"/> Trading enterprise		
The following is to be completed by the Manufacturing Enterprises:			
2004 Products and Production Capability	Name of Product:		Name of imported ag product Needed:
	Daily Production (Metric Tons):		Daily Demand (Metric Tons):
	Annual Production (Metric Tons):		Annual Demand (Metric Tons):
	Annual Sales Value (10,000 RMB):		
The following is to be completed by processing trade enterprises with actual import record:			
Processing trade TRQs in 2003	Allocated TRQs:		Processing trade TRQs in 2004
	Actual imports:		
General trade TRQs in 2003	Allocated amount (MT):		General trade TRQs in 2004
	Actual imported amount (MT):		
	Returned amount (MT)		
Whether agree to reveal information about enterprise and TRQ allocation amount to the public: <input type="checkbox"/> yes <input type="checkbox"/> no			
Verification Comments completed by Authorized Agency:			

Notes:

1. "2004 product and production capacity" refers to products produced from requested import ag products and production capacity. 2. "Daily and Annual Production" and "Daily and Annual Demand" refer to enterprise daily, annual production in 2004, and daily, annual demand for imported soybean oil, rapeseed oil, palm oil, and sugar.

END TRANSLATION

